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THE RHETORIC OF FREE ENTERPRISE: SPRING 1982.

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Alberta, after revelling in a decade of almost unbridled economic growth, felt the buffetting effects of a rapidly spreading international recession in the spring of 1982. The comfortable order that had come to prevail over provincial politics was jarred in the miasma of uncertainty emanating from a widespread expectation of impending economic crisis. The traditional lightning rod for popular discontent in Western Canada, the Liberal government in Ottawa, bore the brunt of the political animosity generated by the economic malaise. Indeed, that government, through its economic and energy policies was widely perceived by Albertans as the very machine of the manifestations of recession within the province. But deviating from custom, Albertans also reserved a measure of hostility for the political leaders of the provincial state.

It was almost as if the feelings of Albertans, so often stirred up in support of the province in its interminable clashes with Ottawa, could no longer be contained and directed solely at the enemy without. The provincial government became susceptible to a degree of criticism not seen since the Progressive Conservatives gained ascendancy in 1971. The Conservative government, normally regarded as a strong guardian of provincial prerogatives, was charged with failure when accomodation was reached with the federal government in constitutional and energy agreements. In the February 17th by-election in Olds-Didsbury, the Conservative candidate was

soundly defeated by the most radical of his opponents, Gordon Kesler, a member of the separatist Western Canada Concept Party. In their vote, the electors of Olds-Didsbury delivered a two-pronged protest: the one against the present state of Canadian federalism, the other against government itself--federal and provincial.

A government loss in a by-election during a time of economic recession in an opposition riding would hardly warrant substantial comment. But this defeat in Alberta deserves notice not only because of the victor's separatist stance, but also because it represents a repudiation of government policy in a province known for its single-mindedness in returning governments over extended periods of time. Any defeat of a Conservative in Alberta is noteworthy because of the tendancy of the electorate over the last eleven years to return increasingly large Conservative majorities. Furthermore, this defeat proved that the Conservative government could face a real threat from those ideologically to the right of it.

Parliamentary representation in Alberta tends to reflect little deep ideological differentiation, but for the tenacious, though always tenuous, hold of the New Democratic Party on one seat. With this singular exception, members claim adherence to a general philosophy of free enterprise. The appearance of a Member whose firm ideological principle with regard to the economy set him distinctly to the right of the principles adumbrated in government policy promised to prove most interesting. He provided a new scope for opposition, coming to the House with an apparent

groundswell of public opinion behind him in one regard: the Conservative government had become too big. It was no longer listening and was no longer working in the best interests of free enterprise. An examination of the Debates of the Spring Sittings of the Fourth Session of Alberta's 19th Legislature will provide an insight into the impact of a Member committed, with a missionary zeal, to achieving "responsible free enterprise government" in a province already committed to the general principle.

However, this ideological asceticism does not encourage issues of practical importance to a modern legislature to be raised. This commitment to pure free enterprise provides little benefit to an opposition, already hobbled by its tiny size, in the attempt to preserve the rights and privileges of a parliament faced with a burgeoning state economic apparatus. Control by and accountability to the Legislature of government economic agencies is no longer a primary goal; it is subsumed under a broader yet more impractical demand for the government to abandon its role in the economy. A concern about a totality that has become almost immutable in the present age--government intervention in the economic sphere--supersedes a more practical concern about issues of control and accountability which are likely to be given a more favourable hearing by a government. The new rhetoric of free enterprise encapsulates ideological principles which challenge the fundamental tenets of government policy, but detracts in the main from pragmatic opposition aimed at protecting the rights and privileges of the Legislature against executive and bureaucratic encroachment. A general ideological principle tends to be expounded

during question and debate, rather than the detailed analysis which might be used to embarrass a government into retracing an intrusion into the domain of parliament.

The language used in a parliament is of a special sort; it is rhetoric, "language designed to persuade or impress", but more than this it is such language used in an arena which gives it a certain dignity and a certain measure of immortality. The rhetoric proceeds within a clearly defined set of rules in a dignified institution and is captured by Hansard to live for posterity. The impact of debate often extends far beyond the immediate listeners, if there are any; indeed the message may not even be intended for those within the House. Debate provides the individual member with an opportunity to make a symbolic attempt at influence or gesture of support, although the substance of the matter in question will often have been decided in executive or government caucus.

This is not to suggest that debate is useless. In the short term, a member may effect a change in government policy if this can be done with relatively small political cost; that is to say if the change demanded is useful but unimportant. In the long run, and with extensive press coverage, a member may be in a position to embarrass the government into reversing a particular policy or may have the government adopt his policy, providing an appropriate period of time has elapsed so that the origin of the idea is no longer clear and the policy fits within the general framework of government policy. But above all, debate is the members'

opportunity to suggest policy directions, to question the direction of government policy, to state allegience to certain principles, and to publicly ascribe to the prevalent mythology of the encompassing society or that of a particular group the member wishes to influence.

A key element in the mythology of Alberta society is free enterprise. Professors Tupper and Pratt succinctly capture this pervasive adherence to a general ideology of free enterprise calling Alberta "a community where the sanctity of property rights and the hatred of socialism almost constitute a secular religion."[1] As is to be expected in a societal mythology, there is no single vision of what constitutes a free enterprise economy; some visions admit government intervention while others are more orthodox. But the words "free enterprise" and the hazy images they evoke are sacred banners expected to lead the actions of the state and to drive off the threat of socialism, negligible as it might be within Alberta society. Often as not in legislature debate, the notion "free enterprise" is accepted as a first principle which need not be ennunciated. This has clearly been challenged with the arrival of the new member for Olds-Didsbury, who trots it out with regularity in debate and question period, as well as by some members of the Social Credit caucus who have also discovered a renewed interest in defending free enterprise.

Robert Heilbroner provides a simple definition that is useful in highlighting the essence of the free enterprise mythology; free enterprise may be defined as

> . . . economic system in which the means of production . . . are owned by private individuals and firms, and in which the primary method of distributing incomes is the competition of the market place.[2]

J. K. Galbraith captures the spirit with even greater brevity:

> In the market economy the price that is offered is counted upon to produce the result that is sought. Nothing more need be done.[3]

While these definitions highlight the essence of the central myth, it is evident that there are wide deviations of perception as to what is admissible for the government under its aegis.

The Conservative government quickly asserts its commitment to a free enterprise philosophy when challenged, but at the same time undertakes massive interventions in the economy. This apparent contradiction has clearly been accepted by the Alberta electorate as any cursory glimpse at the government's electoral record will indicate. However, the new force has a far greater commitment to ideological purity; it seeks to achieve the ideal, a free enterprise system circumscribed only by laws against monopoly. The main thrust of the message is clear--government must get out. Within this ideological construct, government, parenthetically socialism, is set against private enterprise in a crude dichotomy of the economic world. This has significant implications for the Assembly because the House becomes caught up in vituperative debate over a simplistic vision of a struggle between the forces of free enterprise and government--good and evil, white and black--while the surrounding world coated in a shade of grey is forgotten. Reasoned opposition to government

encroachments on the ancient rights and privileges of the House is abandoned while the principle of free enterprise itself is debated; detailed analysis of government measures is abandoned for hyperbolic defence of general principles.

Before setting into the analysis of the rhetoric of the 1982 Spring Sittings, it will be instructive to glance quickly at the structural condition of capitalist economies in the world generally, and the Alberta economy more specifically. The condition of capitalism has changed a great deal since Adam Smith laid the theoretical foundations for the free enterprise philosophy, by postulating that

> every individual is continually exerting himself to find out the most advantageous employment for whatever capital he can command. It is his own advantage, and not that of society which he has in view. But the study of his own advantage naturally, or rather necessarily leads him to prefer that employment which is most advantageous to the society.[4]

Galbraith, in The New Industrial State, observes that modern capitalism is "an economic system which, whatever its formal ideological billing, is in substantial part a planned economy."[5]

This need not necessarily be seen as a threat to free enterprise; to the contrary, "the fully planned economy, so far from being unpopular with avowed friends of free enterprise, is warmly regarded by those who know it best."[6] Robert Heilbroner, in his short work Business Civilization in Decline, outlines the role of the state in the new capitalism:

> the political apparatus within capitalism is steadily growing, enhancing its power, and usurping functions formerly delegated to the economic sphere--not to undo but to preserve that sphere.[7]

Both the Canadian and Alberta economies are characterized by a high degree of state intervention. It must be noted that "the vast majority of federal and provincial crown corporations has been established by governments professing a commitment to an economy based on private enterprise."[8] The Alberta government has certainly not eschewed intervention because of its ideological stance on free enterprise. The provincial economy is resplendent with examples of direct government intervention, including the Alberta Home Mortgage Corporation, the Alberta Opportunity Company, the Agricultural Development Corporation, the Alberta Energy Company, and PWA. But all of these pall in comparison to one of the single largest examples of state intervention in Canada: the Alberta Heritage Savings Trust Fund, which allows the state to make the savings and investment decisions for a large pool of capital drawn from the provinces non-renewable resources.

The government of Alberta has played a significant role in developing the Alberta economy, bowing to "the need for state intervention to promote capital accumulation, to extend important economic services and to integrate communities."[9] The Alberta economy approximates the model of a developing economy as closely as it fits that of an advanced capitalist economy; it is a combination of the two. It remains highly dependent on a single non-renewable resource pool--oil--leaving it particularly vulnerable to the vagaries of a single world market and to severe economic retrenchment when the resource is depleted. This was underlined in the 1982

budget speech in which the Provincial Treasurer warned that:

> Albertans must realize that more than one half of Alberta's budget is now paid from a depleting natural resource revenue at a time when conventional oil reserves are declining everyday.[10]

There is the everpresent fear that when the oil is gone there will be nothing to fill its role. This underlies the government's decision to plan and intervene rather than to adhere to strict ideological principles. Oil and private enterprise have failed to diversify the provincial economy to the point that the passing of the oil era will not mean the passing of the era of wealth. Government has stepped in to attempt to "strengthen and diversify" the economy so that it may survive the depletion of oil reserves.

However, these worthy motives of preserving a certain quality of life for Albertans have resulted in clear challenges to the role of the Legislature in the province. A powerful executive and a huge legislative majority have given the government the ability to ignore some of the prerogatives of parliament in designing policy. This is neatly captured in an article by Allan Tupper on PWA:

> . . . the Lougheed government has often argued, sometimes to the dismay of its own followers, that such imperatives as the defence of provincial powers, the pursuit of economic diversification, and the maximization of resource rents, demand a cabinet strong enough to act decisively and without the irritant of advance legislative debate. Underpinned by such a public philosophy, the entrepreneural state in Alberta and its offspring like PWA have created serious challenges to conventional notions of responsible government.[11]

Thus, the challenge to the opposition is clear; the rights and privileges of the legislature are being eroded in the attempt

to ensure future prosperity; a reasonable balance must be called for between the need for democratic government and the need for economic action by government.

This challenge was boldly taken up in the Fall of 1981 as the diverse elements of the opposition coalesced in an attempt to filibuster the government into greater accountability to the Legislature with regard to the Heritage Fund. Although they could not extract the entire goal of the filibuster, certain management letters from the government, they did force the government into an Auditor General's review of the management of the fund.

A major effect of the February 17th by-election upset was the destruction of the cohesiveness that had been built up amongst the opposition during the previous sitting's filibuster. The demands for a return to classical free enterprise expounded during the Spring Sittings reflected a desire for broad change, not just change to the mechanics of legislative accountability and control. While the proselytizers of free enterprise are certainly not averse to the democratic principles at the centre of the debate over accountability and control, they are primarily occupied with another struggle, a struggle toward a return to simple solutions and simple times promised by the new philosophers of free enterprise.[12]

Gordon Kesler took his seat on March 1, 1982, and in his very first question pointed the direction he intended to follow during the upcoming sittings. In a supplementary to a question

asked by the Leader of the Opposition about Alsands, he asked if "it is the intent of the provincial government or the federal government to pick up the slack that free enterprise has lost in percertage of these projects at this time?"[13] This first question foreshadowed the key aspect of his line of questioning throughout the sittings; he would focus on the economy above any other issue, including that of federalism. This concern would primarily involve economic intervention in some form or other.

Although his election was widely touted as a direct message to the federal government and an indirect message to the provincial government for being too soft on Ottawa, Mr Kesler's performance during question period shows that he also perceived a distinctly intra-provincial role for himself. A quick overview of the question periods of the Spring Sittings reveals that he asked sixteen first questions, of which eight dealt with federal-provincial relations. However, another five dealt with the provincial government's handling of the economy. Given the widespread concern about the economy attendant upon this session, many of the questions on it were initiated by the Leader of the Opposition, who is granted the first and second questions of each day's sitting. So in order to get a clearer idea of the depth of Mr. Kesler's interest in the provincial government's handling of the economy, it is necessary to examine his supplementaries on other people's questions. He entered question period to ask supplementaries on other people's questions on 25 different occasions; of these

he dealt solely with the Alberta economy on 17 different occasions.

The majority of these supplementary questions concerned the role that the government intended to play in the ill-fated Alsands project. He continually pressed the Minister of Energy and Natural Resources to promise that the government would not be prepared to take on equity interest in the project. Other relevant questions ranged from requests for the government to liquidate its assets in PWA and the Alberta Energy Company to a request for the government to return the sale of lis ence plates to the private sector.

In debate the member fleshed out the tenets of his arguments against government economic intervention, arguments to which he could only allude in question period. The clearest statement of his concern about intervention came during debate on the Leader of the Opposition's bill to control special warrant procedures. His major point during debate on this bill, designed to protect a power that has long been vested in parliament, concerned the role of government in the economy:

> Many times in the last few weeks I've heard the Hon. Premier talk about responsible free enterprise. I don't see very much reflection of responsible free enterprise as I see government handing out subsidies, incentives, grants and bonuses. If this government believes in responsible free enterprise, I suggest they leave those dollars in the pockets of industrious farmers and small businessmen in the community and in this province, so they can use these dollars efficiently and effectively in their lives.[14]

He openly questioned the fundamental principle behind the Heritage Fund:

> The money in the fund belongs to Albertans. It is not government money. This government seems to have forgotten that it has to hold these dollars in trust. In fact, the government has betrayed the people of this province by not holding these dollars in trust if in fact, the Heritage Trust Fund is necessary. Obviously these dollars are being taken out of circulation, out of the private sector that most free-enterprise governments believe in, where it does most good, where it's efficient, where there isn't a dole system, where dollars don't shrink by passing through many government departments before they get back into circulation.[15]

This is an unprecedented attack on the whole concept of the Heritage Fund. As a result there appears to be no need to raise questions of accountability and control; the Fund is perceived as being flawed in its very principle not just in the details of its operation.

This brief overview of the rhetoric of free enterprise is intended to highlight the added susceptability of the Alberta parliament to government encroachment on its prerogatives when the opposition concentrates on a broad issue of principle, like free enterprise, to the exclusion of the apparently smaller issues of accountability and control. However these latter concerns form the very essence of responsible government, and hence parliamentary democracy. While differences in principle are appropriately debated in a parliament, it is crucial that the House remain always alert to encroachments on its ability to function as the central institution of the democracy. Unfortunate the burden of the guardian falls principally to the opposition

in this era of party solidarity and strong executive leadership, but it is to the benefit of all if the burden is borne well.

END NOTES

[1]L.R. Pratt and A. Tupper, "The Politics of Accountability: Executive Discretion and Democratic Control" in Canadian Public Policy VI. Supplement 1980.

[2]Robert Heilbroner, Business Civilization in Decline, (New York: W.W. Norton and Company Inc. 1976). p22.

[3]J.K. Galbraith, The New Industrial State, (Boston: Houghton Mifflin Company, 1978), p.23.

[4]H. Landreth, History of Economic Theory. (Boston: Houghton Mifflin Company, 1976) p.42.

[5]Galbraith, p.6.

[6]Ibid. p.32

[7]Heilbroner, p.32.

[8]A. Tupper and G. Doern, Public Corporations and Public Policy in Canada, (Montreal: The Institute for Research on Public Policy, 1981) p.10

[9]Ibid. p.11

[10]Alberta Hansard 19th Legislature, 4th Session, p. 217.

[11]Tupper and Doren, p.301.

[12]See George Gilder, Wealth and Poverty, (Toronto: Bantam Books, 1981).

[13]Alberta Hansard 19th Legislature, 3rd Session, p. 2348.

[14]Alberta Hansard 49th Legislature, 4th Session, p.119.

[15]Ibid. p.317.

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